



Surface Shipbuilding Surface Navy Association

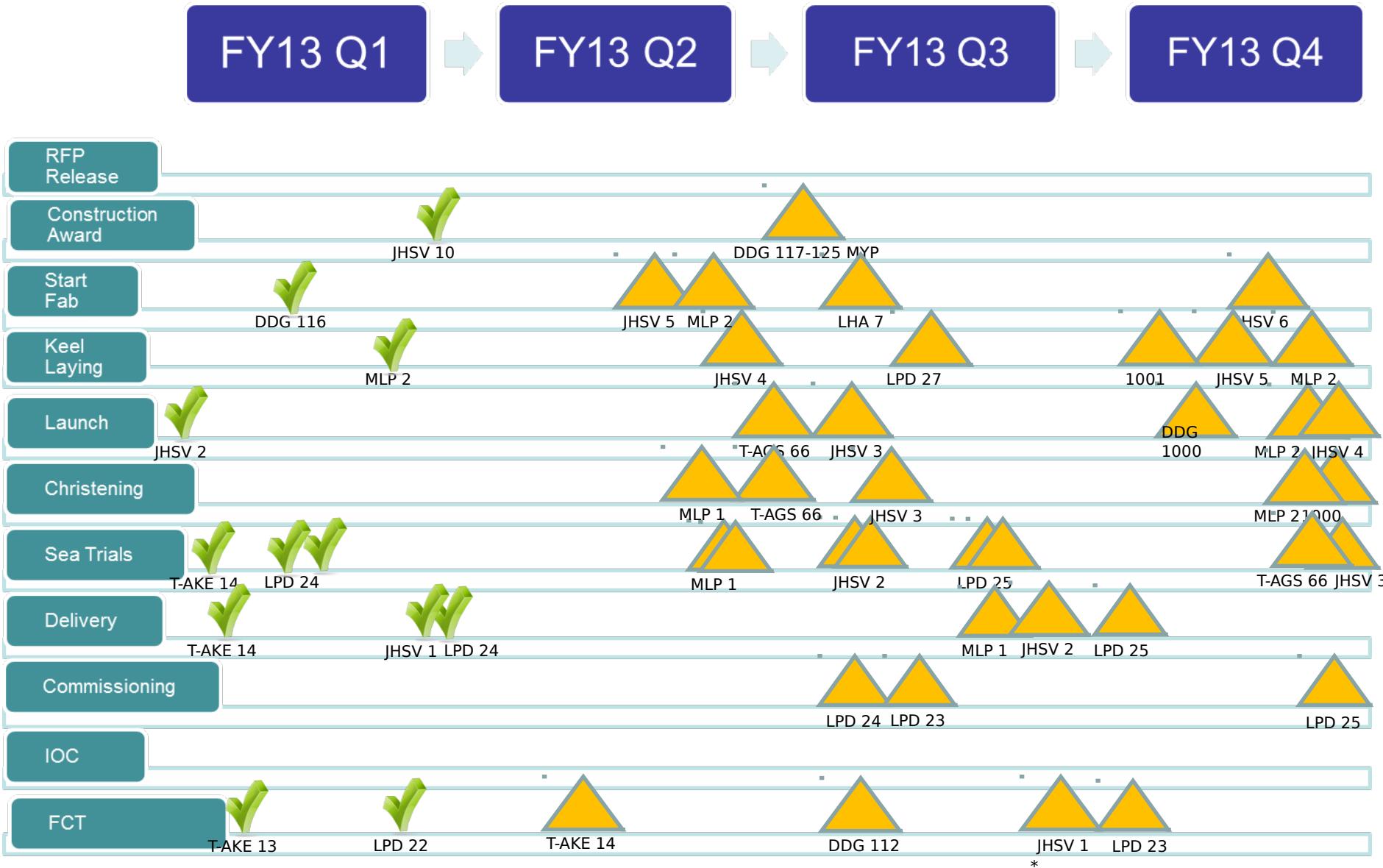
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Ships
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PEO Ships Shipbuilding Workload

<u>Under Contract & Building</u>	<u>To Go (FY 13)</u>	<u>To Deliver (FY13)</u>	<u>Workload by FY14</u>
4 DDG 51	9 (or 10?) DDG 51 (MYP)	---	13 (or 14?)
3 DDG 1000	---	---	3
1 Deckhouses	1 Deckhouse	---	2
3 LPD	---	1	2
2 LHA	---	---	2
9 JHSV	---	1	8
3 MLP	---	1	2
9 SSC	---	---	9
1 T-AGS	---	---	1
2 AGOR	---	---	2
37	10 (or 11?)	3	44 (or 45?)

Delivered Seven Surface Ships in 2012

FY 2013 Milestones



PEO Shipbuilding Initiatives

Ships

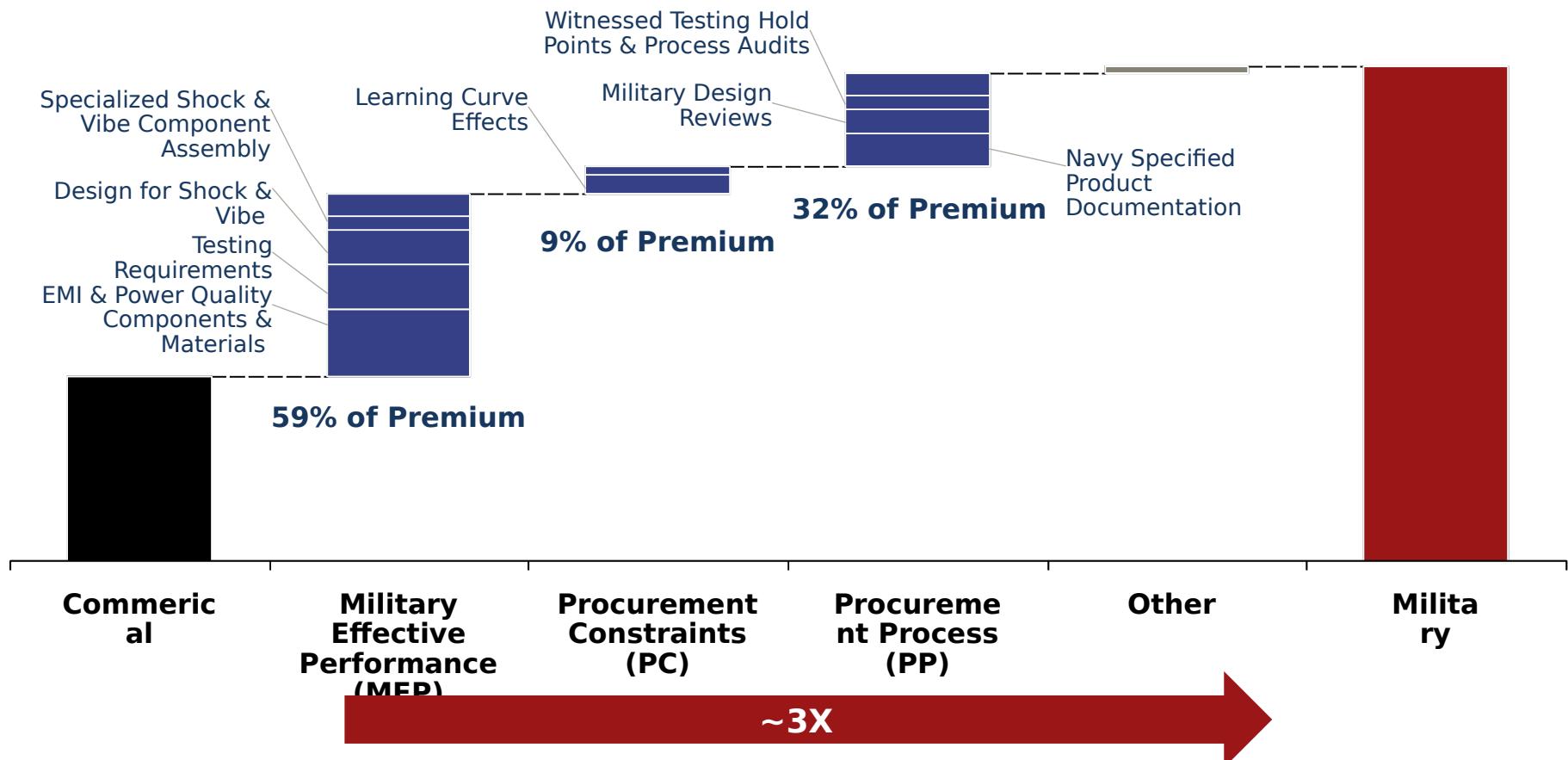
- ***Cross Program Integration and Commonality***

- PEO Ships Focus on Common Processes
 - Common GFE management
 - Common Pre-Comm Crew Training
 - Future Common Test and Evaluation
- Cross-PEO Commonality Initiatives
 - Material Procurements
 - Industrial Process Improvements
 - Equipment Commonality
 - Design Translation Commonality

Military Price Premium - Generators

Ships

Commercial to Military Cost Cross Walk

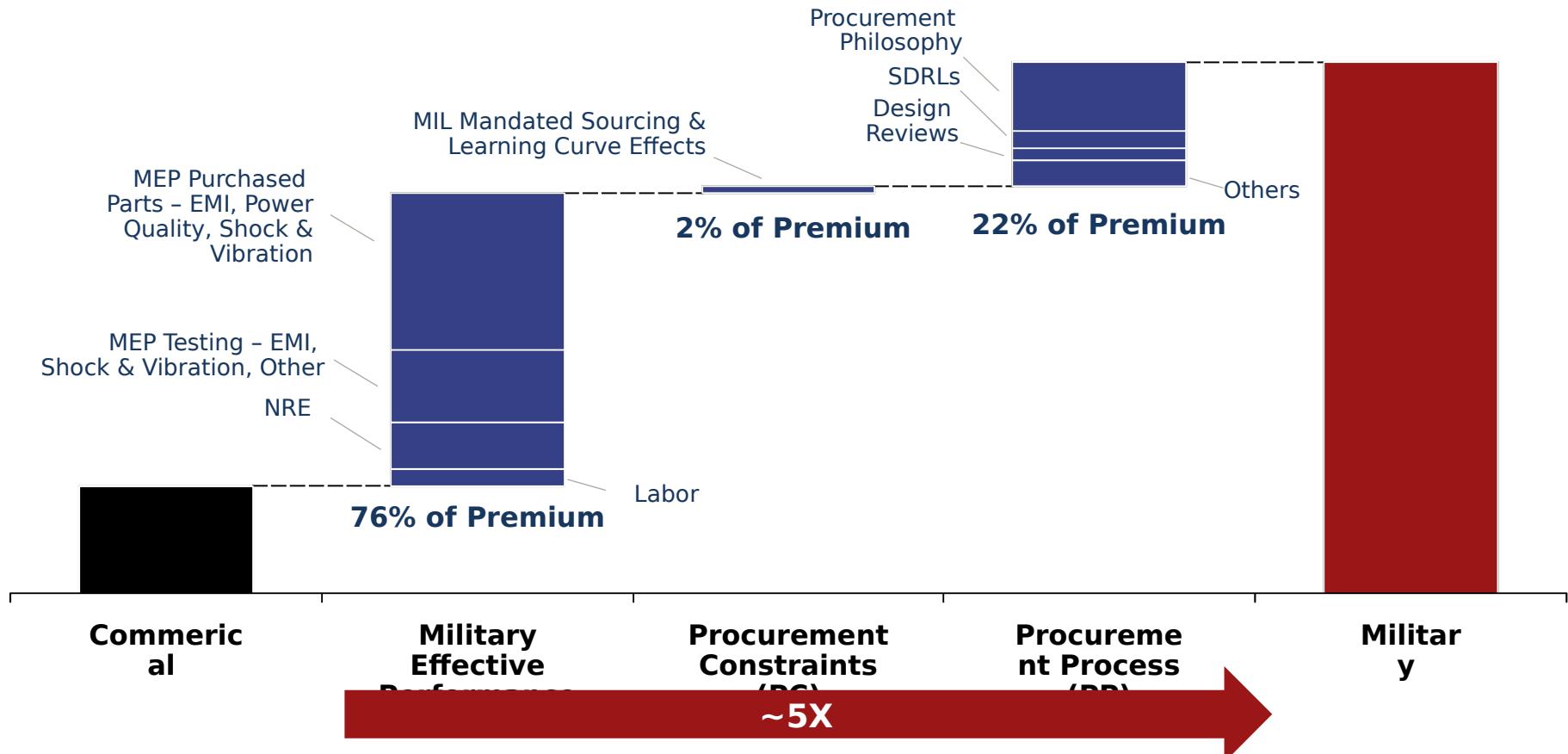


MEP and PP cause the price premium for generators

Military Price Premium - Electric Drives

Ships

Commercial to Military Cost Cross Walk



MEP and to a lesser extent PP cause the price premium for motors

Growth Areas

Ships

✓ **Condition Based Maintenance (CBM)**

- “Fix before break”

• **Re-define Role of In-Service Engineering Agent (ISEA)**

- **Readiness, Logistics and Training in Addition to Engineering**
- **Evolve into ISSA (In-Service Sustainment Agent)**

• **Economics of Shipbuilding**

- “Whole of industry” view by Navy

• **Reform Ship Design Process**

- **Modularity at all levels, to include the ship**
- **Manage Pace of Change (i.e. Cycle Time)**
 - Align Budget Process to Meet Needed Cycle Times, Not Vice Versa
 - ARCI Good Example of a Successful Cycle-Time Management Process

Shipbuilding Focus Areas

Ships

Affordability

- ✓ • Focus on cost and execution performance and production
- ✓ • Focus on mature design plans before start of construction
- ✓ • Focus on long-term contracts (MYP, Block Buy)
- ✓ • Focus on fixed-price type contracts
- ✓ • Active Navy management of material (GFE, CFE)
- ✓ • Fee aligned with risk

Wholeness

- Balanced approach to readiness across the spectrum of warfighting mission capabilities
- New ships and shipboard systems must arrive on the doorstep ready to operate
- Quality

Questions?